

# Gold Lake Mines Limited

*(No Personal Liability)*

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## First Annual Report

*Covering Operations to March 31st, 1936*

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### Officers:

T. C. Anderson, - - - President.  
C. L. Fisher, Secretary-Treasurer.

### Bankers:

Bank of Montreal, Winnipeg, Man.

### Registrar and Transfer Agent:

National Trust Company, Limited, Winnipeg and Toronto.

### Auditors:

Messrs. Dunwoody, Nicholl, Saul & Company.

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HEAD OFFICE - WINNIPEG

MINE OFFICE - BISSETT, Manitoba

# Report of the Auditors

22nd April, 1936.

The President and Shareholders,  
Gold Lake Mines Limited,  
WINNIPEG, Manitoba.

Gentlemen:

From the Company's records and from explanations supplied, we have written up and audited the books of Gold Lake Mines Limited for the period from the Company's inception, 5th March, 1934, to 31st March, 1936, and submit herewith the following Statements, together with our report thereon:—

"A"—Balance Sheet as at 31st March, 1936.

SCHEDULE No. 1—Details of Development Expenses from Date of Incorporation to 31st March, 1936.

SCHEDULE No. 2—Details of Administrative and General Expenses from Date of Incorporation to 31st March, 1936.

SCHEDULE No. 3—Details of Organization and Pre-Organization Expenses.

The Company was incorporated under the provisions of the Manitoba Companies Act on the 5th day of March, 1934, as Gold Lake Mines Limited (no personal liability) with an authorized capital of 2,000,000 shares. On 10th January, 1935, by Supplementary Letters Patent, the authorized capital was increased from 2,000,000 shares to 3,000,000 shares without nominal or par value, and it was provided that the additional one million shares should be allotted and issued for such consideration as the Directors of the Company should from time to time by resolution determine, but not to exceed One Dollar (\$1.00) per share. It was further provided that 250,000 of such additional shares were to be allotted and issued as fully paid and non-assessable to the registered holders of the 750,000 shares of the Company outstanding as at 28th February 1935, in the proportion of one additional share for each three shares held.

The mining claims of the Company, twenty in number, are situated in the Rice Lake District in the Province of Manitoba and were acquired by the Company for the consideration of 600,000 fully paid up and non-assessable shares and are carried in the attached Balance Sheet at the nominal value of \$1.00. We have received an opinion from the Company's solicitor, Mr. A. M. S. Ross, K.C., stating that the mining claims held and owned by the Company are free from all liens and encumbrances, and that no litigation with reference to such titles is pending.

On 12th September, 1935, the Company purchased from Vanson Manitoba Gold Mines Limited all of the vendor's machinery and equipment, consisting of transformers, steel sharpener and blacksmith shop equipment, assaying equipment, mine transit, mine cars, drills, saw mill and motor, compressor, milling equipment and other miscellaneous equipment pertaining to mining, together with sundry stores and supplies, for the consideration of 125,000 fully paid up and non-assessable shares.

On 10th February, 1936, the Company granted an option to W. C. Pitfield & Co. Limited to purchase 1,600,000 shares in the Company.

As at date of Balance Sheet the optionee had taken up 75,000 shares, leaving a balance under option of 1,525,000 shares.

**"A"—BALANCE SHEET—ASSETS:**

**Cash on Hand and at Bank—**

The cash on hand was seen to have been deposited in the bank subsequent to 31st March, 1936. Bank balances have been confirmed by certificates received direct from the Company's bankers.

**Stores—\$11,305.57.**

We have examined the particulars supporting this asset and have received a certificate signed by the Secretary-Treasurer, Mr. C. L. Fisher, stating that the prices were based on cost plus freighting and incidental charges thereon.

**DEVELOPMENT EXPENSES—\$39,083.96.**

Details of this item appear in Schedule No. 1. attached.

**ADMINISTRATIVE AND GENERAL EXPENSES—\$17,100.03.**

Details of this item appear in Schedule No. 2. attached.

**ORGANIZATION AND PRE-ORGANIZATION EXPENSES—\$5,938.39.**

Details of this item appear in Schedule No. 3. attached.

**LIABILITIES:**

We have received a certificate from Mr. C. L. Fisher, Secretary-Treasurer of the Company, to the effect that all liabilities as at 31st March, 1936, have been properly recorded.

**GENERAL:**

We wish to express our appreciation to your Directors and Mine Manager, Mr. D. C. Leggett, for courtesies extended and assistance rendered during the course of our audit.

**CERTIFICATE:**

In our opinion, subject to the foregoing report, the attached Balance Sheet is properly drawn up so as to exhibit a true and correct view of the affairs of Gold Lake Mines Limited (No Personal Liability) as at 31st March, 1936, according to the best of our information, and the explanations given to us, and as shown by the books of the Company. All the transactions that have come to our notice have been within the powers of the Company and we have received all the explanations we have required.

DUNWOODY, NICHOLL, SAUL & CO.  
Chartered Accountants,  
Auditors.

**GOLD LAKE MIN**  
(No Personal Lia  
**WINNIPEG**  
*Balance Sheet as at M*

**ASSETS**

**Cash:**

On Hand .....	\$ 1,000.00	
At Banks .....	9,421.09	
	<u>          </u>	\$ 10,421.09

Accounts Receivable .....	10.00
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Inventory of Stores on Hand .....	11,305.57
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**Mine Property:**

Mining Claims (Nominal Value) .....	\$ 1.00	
Development Expense, Per Schedule No. 1 .....	39,083.96	
	<u>          </u>	39,084.96

**Plant, Equipment, Etc.:**

Machinery and Equipment .....	\$22,230.01	
Power Line .....	12,782.73	
Buildings .....	4,637.24	
Furniture, Fixtures and Office Equipment .....	620.00	
	<u>          </u>	40,269.98

**Administrative and General Expenses:**

Per Schedule No. 2 .....	17,100.03
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**Organization and Pre-Organization Expenses:**

Per Schedule No. 3 .....	5,938.89
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**Shareholders' Bonus (250,000 Shares N.P.V.)**

Authorized by By-Law No. 6 and confirmed by Supplement- ary Letters Patent dated 10th day of January, 1935, whereby the holders of the 750,000 shares outstanding as at 28th day of February, 1935, were to receive one additional share for every three shares then held (saving fractional shares) .....	1.00
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\$124,131.52

# MINES LIMITED

(Personal Liability)

"A"

## MANITOBA

as at March 31st, 1936

### LIABILITIES

Wages Payable .....	\$ 1,616.33
Province of Manitoba—Wage Tax .....	92.57
Accounts Payable .....	10,972.89
Reserve for Accrued Expenses .....	500.00
<b>TOTAL LIABILITIES TO THE PUBLIC .....</b>	<b>\$ 13,181.79</b>

### CAPITAL—

Authorized—3,000,000 Shares of No Par Value.

#### Issued—

For Mining Claims .....	600,000 Shares, \$	1.00
For Equipment and Supplies purchased from Vanson Man- itoba Gold Mines Ltd. ....	125,000 Shares,	25,000.00
For Cash, Supplies and Sundry .....	476,851 Shares,	85,947.73

**Total Issued .....** 1,201,851 Shares, \$110,948.73

#### Allotted but not Issued (Share-

holders' Bonus as per contra) 250,000 Shares, 1.00

**1,451,851 Shares 110,949.73**

**\$124,131.52**

CERTIFIED in terms of our report of this date,

DUNWOODY, NICHOLL, SAUL & CO.  
Chartered Accountants,  
Auditors.

WINNIPEG, MANITOBA,

22nd April, 1936.

Signed on behalf of the Board of Directors,

T. C. ANDERSON, President.

A. M. S. ROSS, Director.



SCHEDULE NO. 1.

**DETAILS OF DEVELOPMENT EXPENSES**  
**FROM DATE OF INCORPORATION, 5th MARCH, 1934,**  
**TO 31st MARCH, 1936.**

Wages .....	\$15,076.07	
Food and Supplies .....	3,582.30	
		<u>\$18,658.37</u>
Workmen's Compensation Insurance .....		535.03
Mining and Sundry Supplies .....		4,629.92
Mining Recorder .....		375.00
P. E. Hopkins, M.E. ....	757.69	
A. F. Matthews .....	966.26	
Dr. W. L. C. Greer .....	250.00	
		<u>1,973.95</u>
Assaying Fees .....		1,037.15
Freight and Transportation .....		2,852.77
Diamond Drilling .....	8,892.96	
Less: Boarding Charges, etc. ....	821.37	
		<u>8,071.59</u>
Core Boxes .....		90.10
Insurance .....		142.75
Stable Expense .....		148.23
Hoist—Rent, Freight and Erection .....		395.31
Shaft Sinking (Wages) .....		173.79
		<u></u>
<b>TOTAL—AS PER BALANCE SHEET .....</b>		<u><b>\$39,083.96</b></u>

SCHEDULE NO. 2.

**DETAILS OF ADMINISTRATIVE AND GENERAL EXPENSES**  
**FROM DATE OF INCORPORATION, 5th MARCH, 1934,**  
**TO 31st MARCH, 1936.**

National Trust Co. Ltd. (Transfer Fees) .....	\$ 417.39
Printing and Sundry Office Expense .....	1,203.05
Legal Expense .....	821.75
R. Alpine McGregor .....	15.00
Manitoba & Ontario Company Fees .....	25.00
Travelling .....	4,952.83
C. L. Fisher (Salary) .....	3,165.01
T. C. Anderson (Salary, Rent, etc.) .....	6,000.00
Reserve for Accrued Expenses .....	500.00
	<u></u>
<b>TOTAL—AS PER BALANCE SHEET .....</b>	<u><b>\$17,100.03</b></u>

SCHEDULE NO. 3.

**DETAILS OF ORGANIZATION AND**  
**PRE-ORGANIZATION EXPENSES**

Legal Expenses .....	\$ 2,521.52
G. C. Murray (Wages) .....	2,250.00
C. L. Fisher (Wages) .....	1,225.00
T. C. Anderson (Expenses) .....	4,942.37
	<u>\$10,938.89</u>
<b>Deduct:</b>	
Options Forfeited .....	5,000.00
	<u></u>
<b>TOTAL—AS PER BALANCE SHEET .....</b>	<u><b>\$ 5,938.89</b></u>

# Report of the Board of Directors

## GOLD LAKE MINES LIMITED

(No Personal Liability)

Winnipeg, Manitoba,

April 23rd, 1936.

To The Shareholders of Gold Lake Mines Limited.

Ladies and Gentlemen:—

Your Directors submit herewith the first Annual Report covering the operations of your Company from organization to March 31st, 1936, together with Balance Sheet and Auditor's Statement as at that date, duly certified by the Company's Auditors.

Referring first to the Financial Statement as presented I might point out that your Company now own an up-to-date mining plant fully paid for, together with its own electric power line. From the Balance Sheet you will note that the Company has no debts and that its obligations to date have all been fully paid. As to the option arrangement for supplying the Company with further funds I will refer to this later.

Since our last meeting a great deal of development work preliminary to diamond drilling has been done on the Company's property. After several examinations by prominent engineers from the East, in August of last year Mr. Percy E. Hopkins, the well known consulting Geologist of Toronto, made a thorough inspection of our properties and then agreed personally to purchase sufficient treasury stock at terms agreeable to the Board to diamond drill the property thoroughly. A diamond drilling contract was let to Messrs. Smith & Travers of Sudbury, Ontario, and Dr. A. F. Matheson, Geologist, was put in charge of the drilling operations as representative for Mr. Hopkins. By October some twenty diamond drill holes had been completed, Mr. Hopkins again visited the property with Dr. Matheson and ordered the diamond drilling of two deep holes under the supervision of Dr. W. L. C. Greer, Geologist, to obtain information as to ore conditions at depth. This work was completed in December and January.

Mr. Hopkins then submitted a proposal to your Directors to further finance the property and also take an option on 1,600,000 shares of the treasury stock of the Company, this option when fully taken up to net the Company \$465,000.00. This offer was accepted by your Board and further work at the property was undertaken including a contract for the building of the power line to connect up with the San Antonio main power line; a contract was also let for freighting all of the machinery and equipment purchased by your Company from Vanson Manitoba Gold Mines Limited.

Early this year Mr. Hopkins for a consideration assigned all of his option then outstanding to Messrs. W. C. Pitfield & Company Limited of Montreal, with whom are associated Anglo-Huronian Limited of Toronto. Your Directors approved the assignment of Mr. Hopkins' option to the above interests, it being understood that during the life of the option mining operations at the property would be in charge of Anglo-Huronian Limited. This assignment completed, Messrs. W. C. Pitfield & Company Limited, became firmly obliged to provide \$40,000.00

as required from February to August, 1936. In September further amounts fall due under the option and in case Messrs. W. C. Pitfield & Company Limited abandon the option Mr. Hopkins is entitled to five days extension of the option to enable him to resume his former position.

Mr. W. H. Emens, well known Mining Engineer is consultant in charge, while the operations at the property are supervised by Mr. D. C. Leggett, M.E., the Mine Manager. I feel that our Company is particularly fortunate in having obtained the services of Mr. Emens and Mr. Leggett.

Since Mr. Emens took charge on February 15th this year all necessary supplies, explosives, etc., have been freighted in to the property for the years operations. The power line has been laid and is now operating, crews have been hired, and shaft sinking commenced. Timbers were cut and a thirty-six foot head frame erected. Mining operations at this date are proceeding in a most satisfactory manner and the new three compartment shaft is already below the 100 foot level.

The following buildings have been erected since our last report to you. Office building with sleeping quarters for the staff, large cook house and mess hall, bunk house, power house including men's dry room, blacksmith and steel sharpening shop, warehouse, small pump house at Salveigh Lake, water tank complete with frame work, powder house, stables, root house and ice house. In addition to this a water supply pump has been installed at Salveigh Lake, while the compressor, motor, and air receiver, have all been installed and placed on permanent footings. All water pipe lines have been laid and all machinery has been tested out and is working satisfactorily.

In closing I would like to personally pay my sincere tribute to the excellent work done at the property over the past two years by Mr. Gordon C. Murray, to whom a great deal of the credit for the opening up of the Company's holdings is due. I wish to pay a tribute to the loyalty and co-operation displayed by all connected with the Company. I truly feel that we have excellent prospects ahead of us for the coming year.

Submitted on behalf of the Board of Directors.

GOLD LAKE MINES LIMITED,

T. C. ANDERSON,  
President.